



**COUNTY OF LOS ANGELES
DEPARTMENT OF AUDITOR-CONTROLLER**

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J. TYLER McCAULEY
AUDITOR-CONTROLLER

October 27, 2004

TO: Supervisor Don Knabe, Chairman
Supervisor Gloria Molina
Supervisor Yvonne B. Burke
Supervisor Zev Yaroslavsky
Supervisor Michael D. Antonovich

FROM: J. Tyler McCauley 
Auditor-Controller

SUBJECT: **PATHWAYS CONTRACT REVIEW**

We have completed a contract compliance review of Pathways (Agency), a CalWORKs Stage 1 Childcare service contractor. The review was conducted as part of the Auditor-Controller's Centralized Contract Monitoring Pilot Project.

Background

The Department of Public Social Services (DPSS) contracts with Pathways, a private, non-profit, community-based organization that assists parents with childcare services. Pathways' services include explaining participant's childcare options and program rights, providing multilingual services to the participant upon request, consumer education information, and childcare referrals. Pathways is located in the First, Second and Third Districts.

DPSS pays Pathways a negotiated rate of approximately \$126 per case per month. DPSS also pays Pathways approximately \$6,000 for nine-months for outreach services. For Fiscal Year 2003-2004, DPSS paid Pathways approximately \$1.2 million.

Purpose/Methodology

The purpose of the review was to determine whether Pathways provided the services outlined in their Program Statement and County contract. We also evaluated Pathways' ability to achieve planned service and staffing levels. Our monitoring visit included a review of Pathways' billing statements, participant case file, staff time sheets, and interviews with Pathways' staff, program participants, and service providers.

"To Enrich Lives Through Effective and Caring Service"

Results of Review

Overall, Pathways is providing services outlined in its contract using appropriate number of staff. The program participants interviewed stated that the services they receive from Pathways met their expectations. In addition, Pathways maintained its targeted service levels for January and February 2004.

Review of Report

We discussed our report with Pathways. In their attached response, Pathways agreed with the results of our review. We thank Pathways for their cooperation and assistance during this review. Please call me if you have any questions, or your staff may contact Don Chadwick at (626) 293-1102.

JTM:DC
Attachment

c: David E. Janssen, Chief Administrative Officer
Department of Public Social Services
Bryce Yokomizo, Director
Ida L. Rivera, Chief, Contract Management Division
Shirley Christensen, Chief, Gain Program Division
Duane Dennis, Executive Director, Pathways
Violet Varona-Lukens, Executive Officer
Public Information Office
Audit Committee

**CENTRALIZED CONTRACT MONITORING PILOT PROJECT
CalWORKs STAGE 1 CHILDCARE PROGRAM
FISCAL YEAR 2003-2004
PATHWAYS**

BILLED SERVICES/CLIENT VERIFICATION

Objective

Determine whether Pathways provided the services billed in accordance with their contract and the program participants actually received those services.

Verification

We sampled 20 program participant case files and reviewed the case file documentation, including billing statements. We also interviewed 44 program participants and 44 daycare providers. Our sample represents \$5,548 out of a total of \$162,139 that Pathways billed DPSS.

Results

Pathways provided the services outlined in its County contract and the services met the participants' expectations. Pathways clearly explained childcare options, program rights, and consumer information to the participants. In addition, upon request, Pathways provided multilingual services and daycare provider referrals to program participants. The Agency's case file documentation provided evidence that all 20 individuals sampled were eligible to receive program services and that the services were provided within the timeframes required by the County contract.

Recommendations

There are no recommendations for this section.

STAFFING/CASELOAD LEVELS

Objective

Determine whether Pathways' actual staffing met the staffing levels required by the County contract.

Verification

We interviewed 35 program staff and reviewed time sheets to determine whether actual staffing levels were consistent with proposed staffing levels.

Results

Pathways actual staffing levels did not significantly vary from the staffing levels required by its County contract.

Recommendations

There are no recommendations for this section.

SERVICE LEVELS

Determine whether Pathways reported service levels did not significantly vary from planned service levels.

Verification

We reviewed invoices and compared them to Pathways' proposed service levels for the same period.

Results

For January and February 2004, Pathways' reported service levels averaged approximately 643 participants. This represents an increase of approximately 2% from the budgeted service levels of 631 participants.

Recommendations

There are no recommendations for this section.



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October 6, 2004

J. Tyler McCauley
Los Angeles County Auditor-Controller
500 W Temple, Room 525
Los Angeles, CA 90012

Dear Mr. McCauley:

Contract Review Response

We have reviewed the report issued by your Department and are in agreement with the outcome of no findings. We want to take this opportunity to thank you for your attention and quick response to our review.

Please call me if you have any questions at (213) 427-2700.

Sincerely,

A handwritten signature in black ink, appearing to read "Duane Dennis", written in a cursive style.

Duane Dennis
Executive Director, Pathways

A Community Bridge to Child Care Resources and Special Needs Services

AUDITOR-CONTROLLER
COUNTY OF LOS ANGELES